

Subject: IAWC 2011 Rate Case 11-0767 Responses to Staff Data Requests DLH-10

Date: Tuesday, December 20, 2011 10:35:04 AM Central Standard Time

From: Amanda.Groaning@amwater.com

To: Hathhorn, Dianna, Lannon, Michael, Luckey, Nicole, jolivero@icc.illinois.gov, tsmith@icc.illinois.gov

CC: John.Reichart@amwater.com, Richard.Kerckhove@amwater.com, Tyler.Bernsen@amwater.com, Scott.Rungren@amwater.com, sturtevant@carpenterlipps.com, zehr@carpenterlipps.com,

Good Morning,

Please find attached IAWC's Responses to Staff DRs DLH-10.01 - 10.03 & 10.05

Please advise if you have any difficulty in accessing any of the attached documents.

Thank you.

(See attached file: DLH-10.01.pdf)(See attached file: DLH-10.02.pdf)(See attached file: DLH-10.02 Attachment 1 CONFIDENTIAL.pdf)(See attached file: DLH-10.03.pdf)(See attached file: DLH-10.05.pdf)(See attached file: DLH-10.05 Attachment 1 CONFIDENTIAL.pdf)

Amanda Groaning, Paralegal
American Water
727 Craig Road
St. Louis, MO 63141
7-400-2343 (internal)
(314) 996-2343 (direct)
(314) 997-2451 (fax)
amanda.groaning@amwater.com

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ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-10.02

Witness Responsible:	<u>Andrew Twadelle</u>
Title:	<u>Vice President of Business Transformation</u>
Phone No.:	<u>(856) 568-5875</u>
Date Received:	<u>December 2, 2011</u>
Docket No.:	<u>11-0767</u>

DLH-10.02

Referring to the Company's response to Staff data request DLH-6.04, has the Company credited the test year for forecast reductions to Service Company fees for non-regulated affiliates' use of the BT programs? If no, please explain why not. If yes, provide the amounts, by rate zone, in the Company's schedules, by schedule, line, and column references. Please provide all supporting calculations and workpapers. To the extent applicable, all documents and workpapers should be provided in Excel format with working formulas.

RESPONSE

The Company did not credit the test year forecast for reductions to Service Company fees for non-regulated (or market-based) affiliates' use of the BT programs. At the time the Company's filing was prepared, the Company was not aware of any market-based affiliate that would seek to use BT information systems.

After the filing was prepared, IAWC's market based affiliate AWE decided to use the BT program Success Factors (marketed internally at American Water as *myCareer Solutions*). Success Factors is relatively small bolt-on application to SAP that includes the following functions:

- Employee Profile
- Performance Management
- Goal Management
- Recruiting
- Compensation Administration
- Variable Pay Administration
- Succession Management
- Career and EE Development
- Employee/Manager Self Service

On October 25, 2011, the Company's market based affiliate and Success Factors executed a change order so that certain market-based affiliate employees can access Success Factors. The Company's market based affiliate (AWE) is paying Success Factors directly for the work performed by Success Factors under the change order (see attachment). In addition, as noted in DLH 6.04, the Company's market based affiliate will be billed a portion of the fully loaded costs to develop the Success Factors and their proportionate share of ongoing maintenance on a fee basis, and those fees would be credited to the regulated utility companies through a credit or reduction in Service Company fees. The development costs for Success Factors are still

being incurred and the ongoing maintenance costs are still to be determined; , therefore the Company is presently unable to forecast the related reductions to Service Company fees for non-regulated affiliates' use of the BT programs and the amount if credit if any, that IAWC would receive in the test year. IAWC expects to be able to provide an estimate of test year credit amounts by end of January 2012

Attachments:

[DLH-10.02 Attachment 1 CONFIDENTIAL.pdf](#)

Date Response Provided: December 20, 2011

DLH 10.02 Attachment 1

CONFIDENTIAL

Subject: IAWC 2011 Rate Case 11-0767 CONFIDENTIAL Responses to Staff Data Requests DLH-19.01-19.02

Date: Friday, February 17, 2012 4:38:54 PM Central Standard Time

From: Anne Zehr

To: mlannon@icc.illinois.gov, nluckey@icc.illinois.gov, jolivero@icc.illinois.gov, tsmith@icc.illinois.gov, watwood@icc.illinois.gov, cboggs@icc.illinois.gov, jfreetly@icc.illinois.gov, dhathhor@icc.illinois.gov, charden@icc.illinois.gov, bjohnson@icc.illinois.gov, dkahle@icc.illinois.gov, mostrand@icc.illinois.gov, mselvagg@icc.illinois.gov, dsackett@icc.illinois.gov

CC: Randall, Erica, 'R Smith', 'dawn.bisdorf@gmail.com', ssatter@atg.state.il.us, cyu@atg.state.il.us, zehr@whitt-sturtevant.com, sturtevant@whitt-sturtevant.com, whitt@whitt-sturtevant.com, segal@whitt-sturtevant.com, ratcliffe@whitt-sturtevant.com, John.Reichart@amwater.com, Kenneth.Jones@amwater.com, Richard.Kerckhove@amwater.com,

Good afternoon,

Attached please find IAWC's Confidential Response to Staff DR DLH-19.01 and the Confidential attachment referenced in IAWC's Response to DLH-19.02, provided via separate e-mail.

Please advise if you have any difficulty in accessing any of the attached documents.

Thank you,

Anne M. Zehr

Whitt Sturtevant LLP

180 N. LaSalle St., Ste. 1822

Chicago, Illinois 60601

614.746.5891

zehr@whitt-sturtevant.com

DLH 19.01
CONFIDENTIAL

DLH 19.02 Attachment 1

CONFIDENTIAL

Subject: IAWC 2011 Rate Case 11-0767 Responses to Staff Data Requests DLH-19.02 and DLH-10.02 (Supplemental)

Date: Friday, February 17, 2012 4:39:20 PM Central Standard Time

From: Anne Zehr

To: mlannon@icc.illinois.gov, nluckey@icc.illinois.gov, jolivero@icc.illinois.gov, tsmith@icc.illinois.gov, watwood@icc.illinois.gov, cboggs@icc.illinois.gov, jfreetly@icc.illinois.gov, dhathhor@icc.illinois.gov, charden@icc.illinois.gov, bjohnson@icc.illinois.gov, dkahle@icc.illinois.gov, mostrand@icc.illinois.gov, mselvagg@icc.illinois.gov, dsackett@icc.illinois.gov

CC: ssatter@atg.state.il.us, scott.j.rubin@gmail.com, cyu@atg.state.il.us, aerandall@atg.state.il.us, bcollins@consultbai.com, mgorman@consultbai.com, drankin@lrklaw.com, erobertson@lrklaw.com, ryrobertson@lrklaw.com, sturtevant@whitt-sturtevant.com, ratcliffe@whitt-sturtevant.com, segal@whitt-sturtevant.com, Richard.Kerckhove@amwater.com, John.Reichart@amwater.com, Kenneth.Jones@amwater.com, Scott.Rungren@amwater.com, Tyler.Bernsen@amwater.com, rsmithla@aol.com, dawn.bisdorf@gmail.com, whitt@whitt-sturtevant.com, rbalough@balough.com, cbalough@balough.com, joseph.hooker@ci.champaign.il.us, SCHMIDDJ@ci.champaign.il.us,

Good afternoon,

Attached please find IAWC's Response to Staff DR DLH-19.02 and Supplemental Response to Staff DR DLH-10.02. Please note the attachment referenced in the Response to DLH-19.02 is confidential and has been provided via separate e-mail.

Please advise if you have any difficulty in accessing any of the attached documents.

Thank you,

Anne M. Zehr

Whitt Sturtevant LLP

180 N. LaSalle St., Ste. 1822

Chicago, Illinois 60601

614.746.5891

zehr@whitt-sturtevant.com

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-19.02

Witness Responsible:	<u>Rich Kerckhove</u>
Title:	<u>Manager, Rates and Regulation</u>
Phone No.:	<u>(314) 996-2366</u>
Date Received:	<u>January 18, 2012</u>
Docket No.:	<u>11-0767</u>

DLH-19.02

Referring to the Company's responses to Staff data requests DLH-6.04, DLH-10.04 and DLH-19.01, please provide by rate zone the estimated test year reduction in Service Company fees for the BT implementation costs to be used by marked-based (sic) affiliates of the Company. Please provide all supporting documents, calculations, and workpapers including calculations of the credits to the Company's regulated utility affiliates versus the Company itself. To the extent applicable, all documents and workpapers should be provided in Excel format with working formulas.

RESPONSE

Please see the response to DLH-19.01 for the total regulated utility credits. Please see the attached for the amounts for Illinois and each rate zone along with the related calculations.

Attachments:

DLH-19.02 Service Company Credits.xlsx

Date Response Provided: February 17, 2012

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-10.02

Witness Responsible:	<u>Andrew Twadelle</u>
Title:	<u>Vice President of Business Transformation</u>
Phone No.:	<u>(856) 568-5875</u>
Date Received:	<u>December 2, 2011</u>
Docket No.:	<u>11-0767</u>

DLH-10.02

Referring to the Company's response to Staff data request DLH-6.04, has the Company credited the test year for forecast reductions to Service Company fees for non-regulated affiliates' use of the BT programs? If no, please explain why not. If yes, provide the amounts, by rate zone, in the Company's schedules, by schedule, line, and column references. Please provide all supporting calculations and workpapers. To the extent applicable, all documents and workpapers should be provided in Excel format with working formulas.

RESPONSE

The Company did not credit the test year forecast for reductions to Service Company fees for non-regulated (or market-based) affiliates' use of the BT programs. At the time the Company's filing was prepared, the Company was not aware of any market-based affiliate that would seek to use BT information systems.

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being incurred and the ongoing maintenance costs are still to be determined; , therefore the Company is presently unable to forecast the related reductions to Service Company fees for non-regulated affiliates' use of the BT programs and the amount if credit if any, that IAWC would receive in the test year. IAWC expects to be able to provide an estimate of test year credit amounts by end of January 2012

Attachments:

[DLH-10.02 Attachment 1 CONFIDENTIAL.pdf](#)

Date Response Provided: December 20, 2011

SUPPLEMENTAL RESPONSE

See Responses to DLH 19.01 and 19.02

Date Response Provided: February 17, 2012